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**FACTORS INFLUENCING STUDENTS INTENTION TO SPEND  
UNDER GOODS AND SERVICES TAX REGIME**

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**MASTER OF SCIENCE  
(INTERNATIONAL ACCOUNTING)  
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OCTOBER 2018**

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UNDER GOODS AND SERVICES TAX REGIME**

**by**

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**UUM**  
Universiti Utara Malaysia

**Research Paper Submitted to  
Othman Yeop Abdullah Graduate School of Business,  
Universiti Utara Malaysia,  
In Partial Fulfillment of the Requirement for the Master of Science  
(International Accounting)**



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## Abstract

The main way to collect the government revenue from individuals, companies and the other entities is by using tax. There are several types of taxes that the people have to pay, one of those is goods and services tax (GST) which consider as broad-based that cover almost all the transactions including the goods and services that imported, except the one that assorted as zero supply and exempt supply thus it will be exempt by the government. This study aims to investigate how this tax will affect the student spending behavior by using the theory of planned behavior (TPB) by determining the level of each of the factors which are attitudes, subjective norms, GST knowledge, government subsidies and the intention to spend among postgraduate student in Universiti Utara Malaysia (UUM). Also, by determining the relationship between attitudes, subjective norms, GST knowledge, government subsidies and the intention to spend among postgraduate student in UUM. Furthermore, this study attempts to provide some insight into the government in order to rise the student spending. This study done based on 360 questionnaires that have been responded by the postgraduate students of UUM. In this study five metrics of variables have been used, one dependent (student intention to spend) and four independents (attitude, subjective norms, GST knowledge and government subsidy). Descriptive and inference analysis were used for this study to describe the variables and to test the hypotheses. All variables are significantly affecting the intention to spend under GST among postgraduate students.

**Keywords:** attitude, subjective norms, government subsidy, GST knowledge, intention to spend.

## Abstrak

Kaedah utama untuk mengutip hasil daripada individu, syarikat dan entiti lain adalah melalui cukai. Ada beberapa jenis cukai yang dibayar oleh rakyat dan salah satunya ialah cukai barangan dan perkhidmatan (GST) yang dianggap berasaskan sempadan yang luas merangkumi hampir segala urusan niaga termasuk barangan dan perkhidmatan yang dimpot kecuali bekalan berasaskan sifar dan bekalan yang dikecualikan oleh kerajaan. Kajian ini adalah untuk menyiasat bagaimana cukai ini akan memberi kesan kepada gelagat perbelanjaan pasca siswazah dengan menggunakan Teori Gelagat Terancang (TGT) dengan menentukan tahap setiap faktor iaitu sikap, norma subjektif, pengetahuan GST, subsidi kerajaan dan niat perbelanjaan di kalangan pasca siswazah di Universiti Utara Malaysia. Hubungan antara sikap, norma subjektif, pengetahuan GST, subsidi kerajaan dan niat perbelanjaan di kalangan pasca siswazah di UUM juga akan dikaji. Kajian ini akan memberikan sedikit input untuk membantu kerajaan meningkatkan perbelanjaan pelajar. Kajian ini dijalankan berasaskan kepada 360 soal selidik yang diterima dari pelajar pasca siswazah Universiti Utara Malaysia. Dalam kajian ini lima angkubah telah digunakan, satu angkubah bersandar (niat perbelanjaan pelajar) dan empat angkubah tidak bersandar (sikap, norma subjektif, subsidi kerajaan dan pengetahuan GST). Analisa deskriptif dan inferen telah dilakukan untuk menjelaskan angkubah-angkubah kajian dan untuk menguji hipotesis. Dapatan kajian menunjukkan kesemua angkubah tidak bersandar mempengaruhi secara signifikan niat untuk berbelanja di bawah GST dikalangan pelajar pasca siswazah.

Kata kunci: sikap, norma subjektif, subsidi kerajaan, pengetahuan terhadap GST, niat untuk berbelanja

## **Acknowledgement**

First and foremost, this humble gratitude goes to Allah as without His guidance I would never complete this hardship journey. It is not an easy journey without the blessing and du'a from my parents; Obaid Mahmood and Nawres Shahadha, because without them, I am like a lost sailor in the vast ocean. I would like to dedicate my gratefulness for the best siblings in the world for my sisters and brothers who always stand by my side and reminds me that I could be the best at least in their eyes. Not to forget my supervisor, Dr. Munusamy Marimuthu who, with his patience and guidance has led me to the final mark of this project paper. Last but not least, I would like to deliver this heartfelt gratefulness for Ahmed Munadhil and Puteri Ily Ismail as they are friends who always there to support me when I'm morally down and live up my spirit.

Ahmed Obaid Mahmood





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## List of Abbreviations

Abbreviation	Full Name
GST	Goods and Services Tax
VAT	Value Added Tax
TPB	Theory of Planned Behavior
UUM	Utara Universiti Malaysia
RMCD	Royal Malaysian Customs Department
AHSGS	Awang Had Salleh Graduate School
OYAGSB	Othman Yeop Abdullah Graduate School of Business
GSGSG	Ghazali Shafie Graduate School of Government
INT	Intention to Spend
ATT	Attitude
SN	Subjective Norms
GS	Government Subsidy
GSTK	GST Knowledge
SPSS	Statistical Package for the Social Sciences

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Introduction**

Tax considered as the most significant source for the income of the governments to improve the economic and to achieve to the level of a developed country with a high income. Due to the reason that the tax has a high impact on the development of the country, so the low level of the tax will influence the country development. Thus, this will lead to deficit the country financial position (Gurusamy, 2018). In fact, there is instability regarding the behavior of the spending and this un stability is differ with the different generations. According to Beh (2013) stated that the highest category of the spending is the consumer spending, it's almost three quarter the overall spending. Usually the consumers' behaviors are used to determine the country economic condition. Thus, it's important to know and understand the spending behavior of the consumers especially when there is a change in the policy of the country such as implementation of goods and services tax (Beh, 2013).

The GST is representing the abbreviation for the name of goods and services tax, generally GST known as VAT which is the abbreviation for the name of value added tax. GST is a tax that collected by the government upon the definitive purchase consumption. Moreover, there is more cost on the consumers since the implementation of the goods and services tax due to the fact that the goods and services tax is consumption tax, so there could be changes in the spending behavior of the consumers (Gelardi, 2013). In some countries the level of the consumption increased in the first months before applying the goods and services tax, and then it

was decreased when the goods and services tax already applied as well as its returned to be normal after while (Palil, 2011). Further, the understanding of the factors that affect the GST could lead to more savings in term of the spending behavior. In addition, the relationship between the spending behavior and the factors that effect it, worth to be investigated.

In a country's economy, students play the main role in term of the expenditure. In the case of Malaysia, the student expenditure identified as the main part upon the total spending of consumers. In the past, the expenditure of the students is limited, such as clothes, book stationeries and etc. (Shahryar, 2014). While, nowadays the expenditure of the students has been increased, due to the increasing of the needs of the students, so now the students need is such as laptops for the assignments, hand phone and some of them have cars, and those considers as unnecessary student's needs. However, the technology development as well, lead to increase the expenses of the students. According to Ishak, Othman and Omar (2015) the implementation of goods and services tax was not supported by the students after two months of its implementation. Due to the reason that the goods and services tax seen to be an antecedent of inflation, so that could increase the prices of goods and services which will burden the citizens including the students (Goh, Cham & Tay, 2017).

This study will focus on the spending behavior of the postgraduate students in UUM and how it can be affected by the implementation of goods and services tax. Since the implementation of goods and services tax in Malaysia the government try to keep the consumers aware about the benefits of the system. According to Mohamed, Ahmad and Tham, (2016) stated that the problems that face by government is the

decreasing in the level of spending of the consumers. However, this paper will identify the factors that affect the level of the spending by using the theory of planned behavior (TPB) which consist of various factors which are attitudes, subjective norms, GST knowledge and government subsidies.

## **1.2 Problem Statement**

Goods and services tax played a main role in making Malaysia as one of the countries with a high-income taxation system, business-friendly, efficient, transparent and comprehensive. Goods and services tax system considered as the best taxation system in the world based on the countries that have been implemented it. However, the revenue of the government has been increased after implementing the goods and services tax and this has a significant impact on the spending of the consumers in Malaysia. In other word, and to be more specific the collection of revenue from goods and services tax is increasingly from the years 2015 to 2017 which is RM 27000 Million, to RM 40,000 Million respectively (Ministry of Finance Malaysia, 2015, 2017). This study focuses more on the students, due to their main role in influencing the economy of the country especially in the current time, they are more demanding than before, as well as the needs of the students, students nowadays needs a laptop for doing assignments, vehicle, hand phone and etc. Thus, the spending of the students increased and this affected the country economy. without doubts the development of the technology as well played a significant role in increasing the expenses of the students.

Furthermore, based on the statistics as illustrated in the figure 1.1 in the last of the year 2017 there is decrease in the spending behavior of Malaysian consumer. The reason that the spending of the consumers is reduced could be because of the goods and services tax. The statistics shows that in July 2017 the spending of the consumers was RM 164 Billion, but after six months in January 2018, there was a slight decreased in the spending of the consumers during this period and reach to RM 160 Billion.

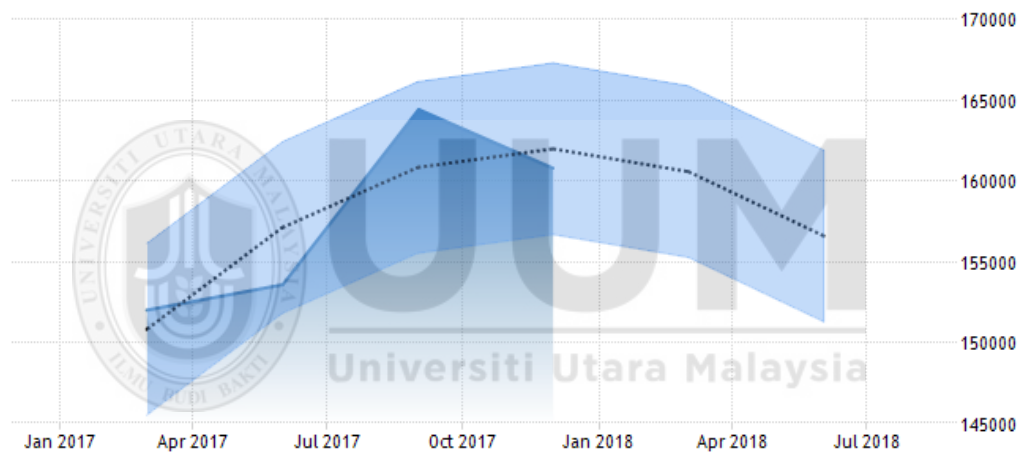


Figure 1.1

*Malaysia Consumer Spending for the Years from Jul-2017 to Jan-2018*

Source: Tradingeconomics.com / Department of Statistics, Malaysia.

There are many factors that affect spending behaviour, in this study the theory of planned behaviour will be used to determine whether the consumer intention to spend are affected by the goods and services tax. Theory of planned behaviour would identify the factors that affect the students spending behaviour. The use of the theory planned behaviour is to measure and evaluate the people action guided. The theory of planned behaviour in the first place is focused on the intention of the human. This

theory is extended from the reasoned action by the integration of the further construct, namely and the perceived behavioural control. According to Ajzen, (1991) stated that the theory of planned behaviour is highly depend on the behavioural intention and the behavioural intention is depending on several factors which are first the attitude of the behaviour, second the subjective norms and the last factor is the perceived behavioural control. Furthermore, this study focusses on the effect of GST on spending behaviour among postgraduate student in UUM.

### **1.3 Research Questions**

This study attempts to answer the following two questions:

1. What is the level of attitudes, subjective norms, GST knowledge, government subsidies and the intention to Spend among postgraduate students in UUM?
2. What is the relationship between attitudes, subjective norms, GST knowledge, government subsidies and the intention to spend among postgraduate student in UUM?

### **1.4 Research Objectives**

The research objectives are:

1. To determine the level of each of the factors which are attitudes, subjective norms, GST knowledge, government subsidies and the intention to spend among postgraduate student in UUM.

2. To determine the relationship between attitudes, subjective norms, GST knowledge, government subsidies and the intention to spend among postgraduate student in UUM.

### **1.5 Significant of the Study**

This study attempts to identify the influence of goods and services tax on the spending behavior of the postgraduate students of Utara Universiti Malaysia (UUM). The aim of this study is to identify whether attitudes, subjective norms, GST knowledge, government subsidies influences the intention to spend when GST is implemented. Outputs of this research will provide an insight to the government in order to increase the spending of the consumers and how the spending behavior can be affected by the goods and services tax. Therefore, even with the raising of the government income from the collection of the goods and services tax but still the spending behavior of the consumers is an important mechanism that have a high impact on the country economy, so the government should concern about it.

The using of the theory planned behavior in this study due to the fact that this theory is to measure and evaluate the people action guided. Furthermore, this theory is focused on the intention of the human. Hence, in this study, TPB will be used to determine the students spending behavior and how their intention to spend will be affected by applying different factors which are attitudes, subjective norms, GST Knowledge and government subsidies.



Therefore, the theoretical contribution of this study, based on the reviewed studies there are some studies used the theory of planned behavior (TBP) such as (Ishak et al., 2015; Bidin et al., 2014; Yusri, 2015) and none studies have been done based on the factors which are (attitudes, subjective norms, GST knowledge and government subsidies) to determine the students spending behavior. So, this study will use those factors in order of better and efficient result. In addition, the practical contribution of this study is the result of this study will help the government to determine the factors that affect the students' spending behavior, as well as the findings could be helpful to promote the government to increase the spending of the consumers which are the postgraduate students in this study.

### **1.6 Scope and Limitation of the Study**

This study conducted to determine the level of the factors that can affect the implementation of the goods and services tax among the postgraduate students in UUM, this study will be done in term of various number of factors which are attitudes, subjective norms, GST Knowledge and government subsidies. in order to provide better understanding to the government regarding the spending behavior. Furthermore, this study will be done based on the theory of planned behavior (TPB) because of this theory can define exactly how human action actually guided. However, this theory recommended that the intention of the individuals behavioral can be determined by their attitude as well as the subjective norms (Ishak et al., 2015). The data will be collected in this study by using the questionnaire data collection method.

In addition, the limitation of this study is this study will only identify the factors that affect the students spending behavior which are the independent variables: attitudes, subjective norms, GST knowledge and government subsidies and the dependent variable: intention to spend without solving the issues relating to that.

### **1.7 Definitions of Key Terms**

#### **Taxation System:**

It is an amount of money that is mandatory to be collected by the government organizations and imposed on the taxpayer in order to fund several public expenditures. Furthermore, tax considered as the most important and significant source for the income of the governments to improve the economic and to achieve to the level of a developed country with a high income. Due to the reason that the tax has a high impact on the development of the country, so the low level of the tax will influence the country development. Thus, this will lead to deficit the country financial position (Gurusamy, 2018).

#### **Goods and Services Tax:**

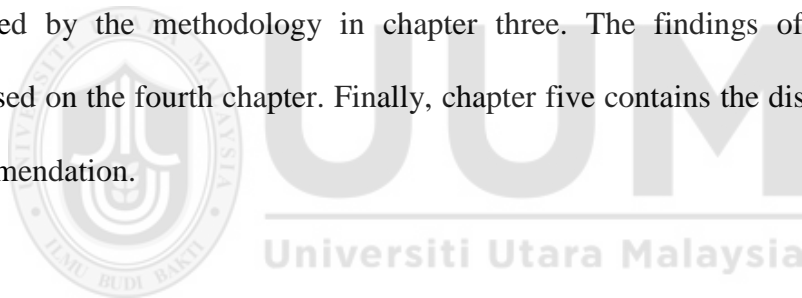
Goods and services tax, is a tax that collected by the government from the consumers. It's also known as the value added tax. Furthermore, the goods and services tax concede as indirect taxation system. In addition, goods and services tax play a mine role in terms of improving the revenue of the countries. However, the used of this taxes system GST will make the Malaysian taxation system more efficient and effective (Choong, 2006).

**Spending Behavior:**

is the amount that the households and individuals spend of the goods as services like: clothing, food, health care and so on. The spending behavior is different from one to other. However, the spending behavior of the individuals can be affected by some factors such as age, location, gender, salary and employment.

**1.8 Organization of the Thesis**

This chapter discuss about the introduction of the goods and services tax in Malaysia and identifying the problem statement of the thesis. Chapter two contains literature review regarding the goods and services tax in Malaysia and the spending behavior, followed by the methodology in chapter three. The findings of the study are discussed on the fourth chapter. Finally, chapter five contains the discussion and the recommendation.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter contain of some literature by the previous studies that will be explored to gather information and to gain some knowledge. An inclusive review from published work is obtained from various sources that will be documented in this literature review regarding our specific subject of research. This section will discuss deeply about goods and services tax in term of students spending behavior based on the researches that have been conducted previously. As the theories that will be use in this research. This chapter will be divided into eight main sections which are as follow first section is an introduction for the chapter. The second section, will discuss about the goods and services tax GST in Malaysia. Meanwhile, third section is all about the theory that will be use in the study which is the theory of planned behavior (TPB). The fourth section, will review the intention in spending. The following three sections discussed about the variables of the study which are attitudes of the students, subjective norm of the students and perceived behavioral control which divided into two sections internal (GST knowledge) and external (government Subsidy). Lastly, the last section will be for the summary of the chapter.

## 2.2 Goods and Services Tax

GST is representing the abbreviation for the name of goods and services tax, generally GST known as VAT which is the abbreviation for the name of value added tax. GST is a tax that collected by the government upon the definitive purchase consumption (Chen, 2017). However, the collection of goods and services tax will be upon a various phase of the industrialization process (Urif, 2016). Consequently, there is a tax on the certainly output, tax on GST by the organizations and companies onto the taxable goods and services as well as the input tax which is a tax that charged by the companies on the GST expenses. In addition, the results show that the GST is not the responsibility of the vendors as well as it will not be shown as expenses in the fiscal reports (MA, 2010).

The using of goods and services tax considers as a main part of the process of the reform tax system for the governments around the world and it aims to enhance the effectiveness and efficiency of the existing system (Royal Customs Department, 2013). The table 2.1 below shows the countries whom applied the GST.

Table 2.1  
*The Countries Applied GST*

No	Region	Number of Countries
1	ASEAN	7
2	ASIAN	19
3	EUROPE	53
4	OCEANIA	7
5	AFRICA	44
6	SOUTH AMERICA	11
7	CARIBBEAN, CENTRAL AND NORTH AMERICA	19

Source: Royal Malaysian Customs Department (RMCD)

Since 1989 and the idea of implementing GST is on the table of the Malaysian government. In 2005 was the first announced for the goods and services tax which was supposed to be implemented in 2007. Furthermore, the government of Malaysia in 2006 decided to postpone the implementation of goods and services tax due to the time required for the implementation process and also to collect more feedbacks from the public. After that, in 2009 was the introducing of goods and services for the first reading, which was supposed to be implemented in 2011. In 2010 the presented of the goods and services for the second reading by the parliament supposed to be done, but it was withdrawn to be reassessment. On 25 October 2013. However, the 1st of April on 2015 was the implementation of GST in Malaysia with the rate of 6%. The goods and services tax were a hot topic and that got a huge attention since its implementation from different parties such as businesses, general public and academicians. They were so worried about the goods and services tax implementation because that make their interests on the stake. Due to the growth of the attention regarding goods and services tax this has motivate the researchers to scout it to come out with an insight that related to this issue (Zhou, Tam & Heng, 2013).

According to Urif (2016) stated that the taxation conceded as a main income for the government. However, the government will enforce the tax on the people without any expectation for an immediate return on the benefit. Meanwhile, the individuals amassed that made in or the remitted and all the revenue that related to the corporations and organizations it is all will be liable to tax in Malaysia. Goods and services taxes are described as compulsory taxes due to the reason that the

government need to increase the income of the expenses over goods and public services (Murugaiyan, Jeyanthi & Siddharth, 2017). The main role of the goods and services tax GST is to improve the tax collection procedure. Goods and services tax are a multi-stage tax such as the value-added tax in each phase the costs are made to be associated with the production to end client (Yusri, 2015). There is a self-policing system that holed by the goods and services tax, the companies will routinely involve the goods and services tax on their selling cost over the inputs of the other producers. The companies notice that the goods services tax is already applied and in term of avoidance of tax it has much less motivators. The expenses of the conducting business will be minimized to the low level by moving the load of tax from the producers to the customers as well as the profit will be given to the customers in the lowest price (Looi, Lee, Low, Tey & Yeo, 2016). According to Bidin, Marimuthu, Derashid, Idris and Ahmad, (2016) stated that on the domestic consumption the goods and services considered as a multi-stage tax. In Malaysia the goods and services are charged over all the supplies of taxable of goods and services except the one that have been exempted. As well as, the goods and services tax are charged over the importation of the goods and services in Malaysia. The range of the charge on the GST will be expanded so the country income will not be depending on one sector thus will be used to develop the nation. Mohamed et al., (2016) mentioned that the system of collecting the goods and services tax will be enhancing to make sure that the process of collecting the tax it is in a high level of efficiency. The use of goods and services tax makes the taxation system of Malaysia more efficient, comprehensive, business friendly, transparent and effective.



Goods and services tax consider as broad-based that cover almost all the transactions including the goods and services that imported, except the one that assorted as zero supply and exempt supply thus it will be exempt by the government (Ahmad, Ismail & Halim, 2016).

Meanwhile, there will be tax on each and every supply that taxable to the GST in every and all levels of the supply chain regarding the process of manufacturing, wholesale, production and retail. The goods and services tax will be paid when the customers purchasing the goods and services (Shaari, Ali & Ismail, 2015).

The cancelation of the sales and services tax makes the way for goods and services tax which consider as more effective taxation system in term of cost. The use of goods and services help a lot of companies in term of their cost to the business. In addition, the use of goods and services tax reduce the practices of the bureaucratic in the administration and management of the taxation system that was exist in the old taxation system sales and services tax. goods and services tax have improved the overall administration tax by creating a complete taxation system and developed the modern procedures based on the voluntary compliance (Goh et al., 2017). However, the use of goods and services in Malaysia has achieve three main taxation system criteria which are productivity of tax revenue, equity and efficiency. Further, the goods and services tax viewed as the most transparent and structured form of taxation.

In addition, the goods and services tax will be levied by the goods and services supply by the taxable person. Beside that the goods and services is restructuring the tax system and turn it to be efficient, fairer and transparent system. The use of goods and services tax system will be helpful to reduce the tax leakages as well as managing the non-compliance. Goods and services tax its affect each and every consumer of the society without looking on how or where they derive their income. In other word, goods and services tax system will affect each and every one of the societies, includes the poor people and needy (Ishak et al., 2015). The figure 2.1 bellow shown the concept of goods and services tax (Shaari et al., 2015).

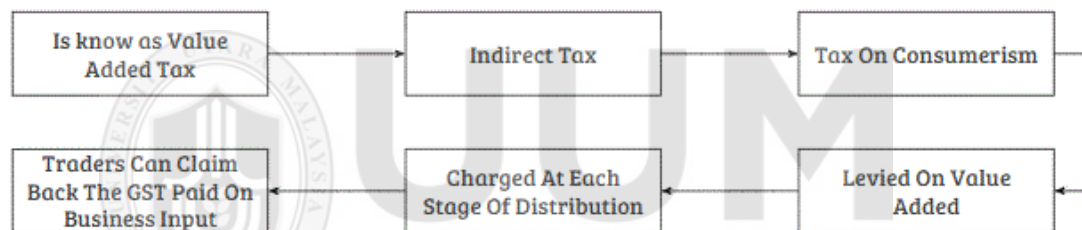


Figure 2.1  
*General Concept of GST*  
 Source: Shaari et al., (2015)

As shown above in figure 2.1 goods and services tax known as value added tax, GST considers as indirect tax imposes on consumerism which levied on value added that charged at each stage of distribution and traders can claim back the GST paid on business inputs.

### 2.3 Theory of Planned Behavior

In 1980 the Theory of Planned behavior (TPB) have been developed and introduced by Ajzen. The main idea of the theory planned behavior is to measure and evaluate the people action guided. The theory of planned behavior in focused on the intention of the human. This theory is extended from the reasoned action by the integration of a further construct, the perceived behavioral control. Furthermore, Ajzen (1991) stated that the theory of planned behavior is highly depend on the behavioral intention and the behavioral intention is depending on several factors which are first the attitude of the behavior, second the subjective norms and the last factor is the perceived behavioral control. The following figure 2.2 showing the concept of the theory of planned behavior (Ajzen, 1991).

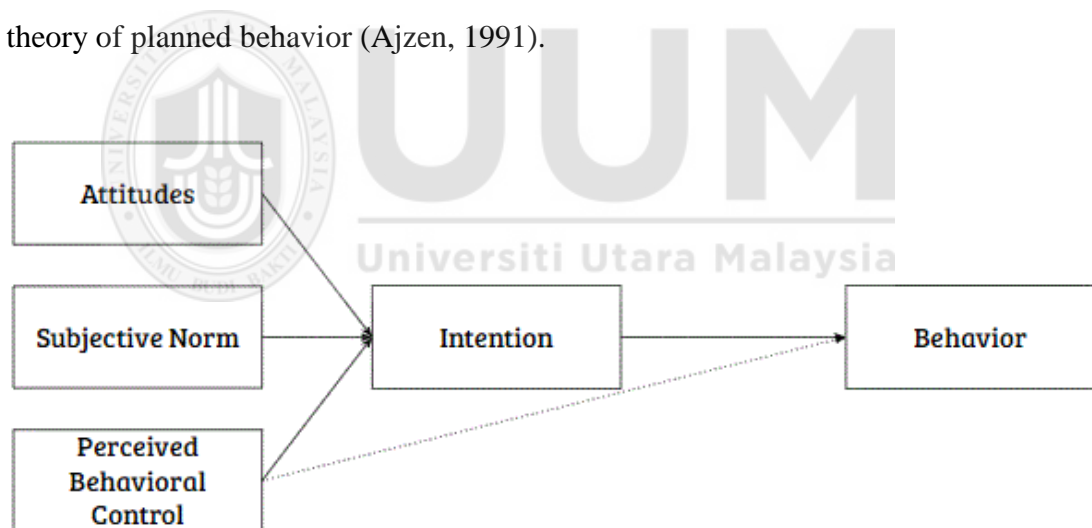


Figure 2.2  
*Theory of planned behaviour*  
Source: Ajzen, (1991)

In this research the theory of planned behaviour will be use several factors apply by incorporations: attitudes, subjective norms, government subsidies, GST knowledge and the intention to spend.

## **2.4 Intention in Spending**

According to Ajzen (1990) to stated that the human intention is the main factor of the theory planned behavior. The Intention can be determined by the conscious effort that the people will follow to approbate their behavior, the intention is considered as one of the factors that can affect the behavior components. The intention of purchase will be happening when the people plan to buy the products or goods in the future. The intention to spend of the people is time variant, dynamic, different and not stable. The economics of the countries is highly affected by the people intention to spend. Thus, the intention of consumers needs to be measured in order to get better insight regarding the goods and services (Ming, Chong & Mid, 2013). In Malaysia there are various patterns that effect the intention to spend which are the gender, the age and the ethnic group. The food and the personal care products gets the highest percentage of the young people spending as well as the people of urban areas (Carrillo, Prado-Gascó, Fiszman & Varela, 2013).

Whatever, one of the most important consumers are the students due to the higher number of colleges and universities around Malaysia. Furthermore, the students play a main role in the economics of the country. In Malaysia the students are representing the highest percentage of the consumers among the people, so their intention to spend could affect the economics of the country directly especially college student's. (Shahryar, 2014). The expenditure of college students in Malaysia considered as the main section of the total spending (Chebat, Michon, Haj-Salem & Oliveira, 2014).

The implementation of goods and services tax has a high social, economic and marketing impact thus that make it the hottest and most discussion topics for the Malaysian consumers. Many of the consumers was worried about the implementation of goods and services tax because they were afraid that goods and services tax it may change the way of their lifestyle standard of living and purchasing power. The goods and services tax effect the price index of the consumers this is from economic perspective, while as from marketing perspective, goods and services tax impact the consumers' intention to spend and their spending behavior (Hoe; Teh, Soh; San, 2015).

Mohamed et al., (2016) stated that since the implementation of goods and services tax, it attracted a high attention of several parties such as businesses, academics and general public. The goods and services tax have an impact of wealth distribution on three aspects which are first, consumer changing in expenditure pattern, second the increasing of the financial burden on the households, and third is the burden of goods and services tax on the expenditure categories (Kasipillai, 2008).

The goods and services tax will cause inflation which encourage various parties to use the advantage by increasing price of the items, products, goods and services, and they resulted increase the burden on the consumers. Thus, many of the households specially the one with the middle and low income will suffer compare to high income households (Goh et al., 2017). So, this inflation will affect the students, which will affect the economics of Malaysia due to the fact that Malaysian universities students represents the main segment of taxpayers among the consumer segments (Chebat et al., 2014).

In addition, due to the students' main role in affecting the country economy so the government is obligated to keep them updates about the benefits of goods and services tax in order to improve their intention to spend.

## **2.5 Attitude and Intention to Spend**

Attitude is a psychosomatic construct and emotional entity which describe a person. Attitude of the behavior is the way to evaluate the human behavior whether is positive or negative (Ajzen, 1980). Tesser (2008) stated that attitudes is the mental of willingness that controlled by the human experience and practicing. Attitude have a main effect that related to all and every situation is associated to it. All the individuals have their own way in expressing their attitude depends on their experience and personality. Usually the behavior of the human is explained by the attitude. From another preceptive attitude is a group of complicated inspirations, behaviors and beliefs. According to Pickens (2005) stated that there are two components in the attitude which are the internal component (belief and feelings) this component can be determined by the human behavior. Belief and feelings will lead to the other components which is the external one (human action) which is the actual behavior of the individuals. The more of beliefs from the individuals the more the individuals will execute the behavior. Therefore, the possibility of doing the behavior it will be less if the beliefs of the individuals is low (Shook, 2010). The behavioral intention is directly affected by the human attitudes (Yusri, 2015). Hanno (1996) used the theory of planned behavior as a basic theoretical. Furthermore, he stated that the attitudes have a significant relationship with the intention of the tax compliance.

According to Loo et.al., (2007) the behavioral intention of the compliance has a positive impact on the attitudes in terms of taxation system. Bobek (1997) stated that the positive attitude of taxpayers will increase their intention of taxpaying.

## **2.6 Subjective Norms and Intention to Spend**

Subjective norms are the pressures of the community to determine whether to engage or not with behavior. In other way, the subjective norm is all about the belief of the human that most of the closest people are thinking that he/ she should or shouldn't execute the behavior (Ajzen, 1980). In addition, subjective norms mean how individuals such as parents, relatives, physician and friends they could affect the human choices. So, the subjective norms can be defined as the perceptions or assumptions of the expectations of the other important parts in his/ her life that will decide whether to execute the behavior or not (Brouwer, Krol, Reneman, Bultmann, Franche, Klink & Groothoff, 2009). The perception is considered as subjective so this perspective is referred as subjective norms. As the beliefs of the individuals are affecting their attitude in terms of the behavior, the same effect happening in the subjective norms by the same way. However, there are significant relationships for both attitude and subjective norms in effecting on the human behavior. However, there is an important and affirmative impact of the subjective norms on the intention behavioral, furthermore the subjective norms are used as a significant variable in terms of the goods and services tax (Hanno, 1996).



The social impact as well play a main role in determining the behavioral intention. The social influence happens when the opinions, behaviors and emotions are affected by the others. So, if there is understanding for the goods and services tax as a burden on the tax payer such as the increasing of the price of the products, goods and services and the majority of the citizen have that thoughts. Thus, this will affect their intention to spend (Yusri, 2015).

## **2.7 Perceived Behavioral Control and Intention to Spend**

There is an extra variable that used by the theory of planned behavior which is the perceived behavioral control (Ajzen, 1991). The perceived behavioral control used to realize the easiness or the difficulty of the performance of the behavior in the question. Furthermore, it used for predicating the hurdles and weaknesses. The perceived behavioral control is the reflection of the individual thoughts in terms of accessing the resources and the required opportunities in the process of executing a behavior. The perceived behavioral control is referring to the individuals' senses level of performing or not performing the behavioral in the question. In the perceived behavioral control there are two mechanisms which are the external and the internal factors of the perceived behavioral control (Taylor & Todd, 1995).

### **2.7.1 GST Knowledge and Intention to Spend**

GST knowledge is the internal factor of the perceived behavioral control is also an important factor to measure the attitude of the people regarding the goods and services tax is the GST knowledge (Yusri, 2015).

The knowledge of goods and services tax is an important for the human to understand the reason of the goods and services tax and the associated attitude related to the taxation (Eriksen, 1996). Tax knowledge will provide better understanding on how the taxpayer are dealing with taxation system (Eriksen, 1996). Hence, there will be more understanding regarding the goods and services tax if the taxpayer he or she have tax knowledge. Saad (2014) stated that one of the significant elements in the tax system is the tax knowledge in terms of intention to spend.

Brucks (1985) in his study he provides a new product in the market and he tried to see how can the knowledge about that product can affect the people intention to buy it. In the result he found that there is a significant intention to buy the product from the people whom knows about it, while its low intention from those whom don't know about that product. Furthermore, the investors will increase the payment if they know about the investment plan (Croy, Gerrans & Speelman, 2010). This study will use the tax knowledge (GST knowledge) as a factor in defining the student intention to spend.

Chen, McKerchar and Hansford, (2009) they said that the tax knowledge is the most important variable that affect the behavioral intention of the taxpayer in the taxation system. Therefore, according to Kirchler, Niemirowski and Wearing, (2006) the possessing of tax knowledge will increase the compliance rates. As well as, the absence of tax knowledge will lead to decrease the compliance rates either intentionally or coincidently.

### **2.7.2 Government Subsidy and Intention to Spend**

The external factor of the perceived behavioral control is the government subsidies which are the interest provided by the government to the citizens, it could be in several forms such as a financial transfer, welfare system, public good or it could be as a direct spending on the poor people which could increase their income. (Yusri, 2015).

Providing such programs by the government will reduce poverty (Atkinson, 1977). In another study Smith (1992) stated that the positive incentives ensure to raise the commitment of the citizens toward the tax obligation. Furthermore, the positive reassurance as remuneration also will provide significant effectiveness on the tax obligation (Alm, Martinez & Torgler, 2006). The benefits earn from the public goods have a significant impact on the tax obligation (Blackwell, 2007). The government can increase the tax compliance by providing the favorite goods from the public (Alm et al., 2006).

McKerchar (2003) stated that the welfare systems should be design in such way to convince the citizens that their money that they hard-earned it will be spending wisely by the government, as well as they have to feel favorable about the contribution in the community so this will increase the tax compliance. Nevertheless, Ling, Osman, Muhammad, Yeng and Jin, (2016) they found that these subsidies will make the taxations more effectively and efficient. So, this will improve the compliance intention to spend.

## **2.8 Summary**

The overall of this chapter is providing some literature from the previous researchers regarding the goods and services tax and the theory of planned behavior in order to gather information and to gain some knowledge. The goods and services tax and students spending behavior in Malaysia were discussed deeply in this chapter for better insight. Furthermore, this chapter provide some literature regarding the variables that have been used in this study which are the dependent variable (intention to spend) and the independent variables (attitude, subjective norms, GST knowledge and government subsidy).



## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter contain the methodology that will be used in this research which will be divided in to eleven sections as follow, the first section is the introduction of the chapter, second section will be for the research framework, followed by the hypotheses of the study after that the fourth section will be for the research design of the study. The operational definition of the study will be in the fifth section. However, the measurement of variables and the research instrument will be discussing in the sixth section. Furthermore, the rest of the sections will be for the data collection, population, data collection procedures, techniques of data analysis respectively. The last section is summary of the chapter.

#### **3.2 Research Framework**

According to Tew (2016) stated that the meaning of framework in research is the “blueprint for conducting the study over the factors with the maximum control, factors that could interfere with the finding validity”. However, the dependent variable is the students’ intention to spend which considered as the primary interest variable. Furthermore, the significant relationship between the dependent variable and the independents variables which are attitudes, subjective norms, GST knowledge and government subsidies will represent the framework of this study. The used framework of this study has been adopted from the theory planned behavior. The below figure 3.1 will show the framework of the study.

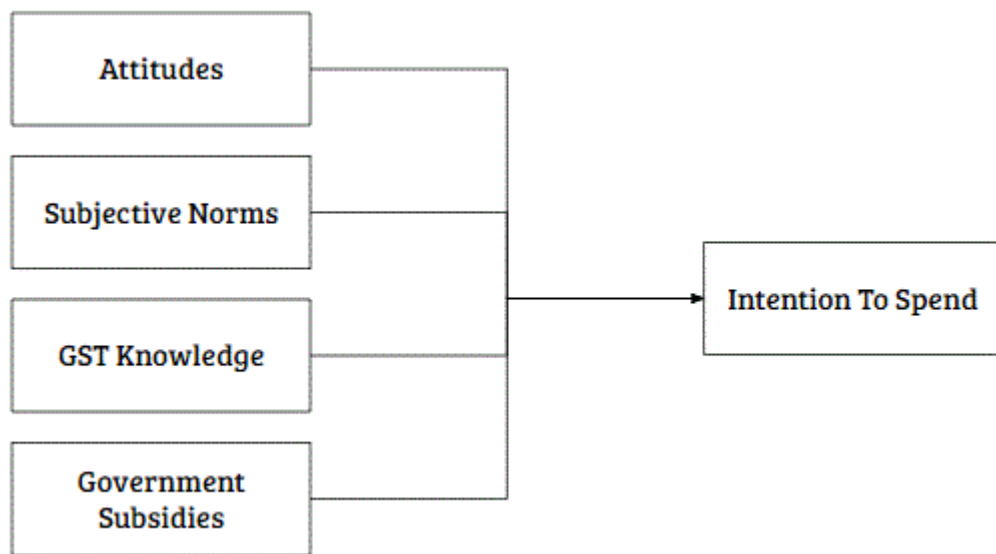


Figure 3.1  
*Framework of the study*

### 3.3 Development of Hypotheses

#### 3.3.1 Attitude and Intention to Spend

Attitude means evaluating a person based on a specific behavior. The attitudes can be positive or negative (Suki, 2010). In terms of taxations, there is a significant relationship between the attitudes and the intention of the taxpayers (Hanno, 1996). Furthermore, the attitudes have a direct impact on the intention of the taxpayers (Yusri, 2015). Thus, the positive attitude will generate a positive impact on the intention in terms of tax paying. The below hypothesis H1 used in this study to describe the relationship between the attitudes and the intention of the students, from the perspective of spending. Therefore, this hypothesis is developed.

H1: There is a positive relationship between attitudes and students' intention to spend.

### **3.3.2 Subjective Norms and Intention to Spend**

When the individual believes that he/she have to follow what the thinking of the closest people to him/her, this mean the subjective norms (Ajzen, 1980). The subjective norms have a significant impact on the intention of the individuals in many aspects such as taxation (Hanno, 1996). The subjective norms are affected by the social opinion, emotions and behavior which are in turn affect the intention to spend of the individuals. Furthermore, the subjective norm is a significant variable in the process of determining the students spending behavior. The below hypothesis H2 used in this study to describe the relationship between the subjective norms and the intention of the students, from the perspective of spending. Therefore, this hypothesis is developed.

H2: There is a positive relationship between subjective norms and students' intention to spend.

### **3.3.3 GST Knowledge and Intention to Spend**

The GST knowledge is a factor that use to determine the attitude of the individuals concerning the goods and services tax (Yusri, 2015). GST knowledge used to explication the reason of using goods and services tax for the individuals. So, this could change the attitudes of the individuals regarding the goods and services tax in a positive way. Thus, the individuals' intention regarding tax paying will be affected as well (Eriksen, 1996). This study will focus on the students in order to determine their knowledge to the GST and their intention to spend. The below hypothesis H3 used in this study to describe the relationship between the GST knowledge and the

intention of the students, from the perspective of spending. Therefore, this hypothesis is developed.

H3: There is a positive relationship between GST knowledge and students' intention to spend.

### **3.3.4 Government Subsidy and Intention to Spend**

An interest provided by the government to the citizens called government subsidies. Those subsidies can be in many ways such as welfare system, financial transfer, public good etc. (Yusri, 2015). The aim of those subsidies is to increase individuals' intention to spend. By designing some welfare system that convince the individuals that their money will be spend wisely by their government as well as to make them feel about their contribution in the community (McKerchar, 2003). Thus, this will play a main role in increasing their intention to spend. Furthermore, this study is concentrating on defining the students' intention to spend and how it's can be affected by the government subsidies. The below hypothesis H4 used in this study to describe the relationship between the government subsidy and the intention of the students, from the perspective of spending. Therefore, this hypothesis is developed.

H4: There is a positive relationship between government subsidy and students' intention to spend.



### **3.4 Research Design**

According to Creswell (2013) stated that, to earn the understanding of the opinions and the basics reasons, the quantitative research will be used in the first place by the collecting open-ended and the emerging data in order to developing and exploring new idea or knowledge of the data for the future quantitative studies. Furthermore, the quantitative research is relying on the observations and measurements. Hence, the collected data will be predetermined instruments. Thus, will be able to provide a statistical data. However, in this study the qualitative method will be due to the fact that this study is using the statistical analysis and numerical measurements.

Based on the objectives of this study, the aims of this study are to determine the level of each of the factors which are attitudes, subjective norms, GST knowledge, government subsidies and the intention to spend. Furthermore, to determine the relationship between the independent variables which are (attitudes, subjective norms, GST knowledge and government subsidies) and the dependent variable which is (intention to spend). For that objectives it can be says that the causals researchers are being undertaken in the examination, as well as this study trying to examine the relationship of the cause-and-effect of the variables.

### **3.5 Operational Definition**

#### **3.5.1 Intention to Spend**

The intention is referring to the conscious effort that the people are following in their behavior and is one of the factors that motivate the impact of the behavior to determine how the consumers are willing to do the behavior. Furthermore, the

intention is considered as a main factor in affecting the behavior components. The intention to spend will happen when people decided to buy something in the future.

### **3.5.2 Attitude**

Attitudes refers to the point of evaluating the behavior performance its either positive or negative. However, the attitudes will be use in this study as a factor to determine the students spending behavior due to the fact that there is a significant relationship between the attitudes and the behavioral intention of the students.

### **3.5.3 Subjective Norms**

Subjective norms refer to the social pressure that can determine whether to engage in the behavior or not. The subjective norms play a main role in the behavioral intention of the students. Therefore, this study will rely on the subjective norms as a factor to evaluate the intention of the students in terms of their spending.

### **3.5.4 GST Knowledge**

GST knowledge is an important variable in a compliance voluntary of the tax system, especially in determining the accurate tax compliance. Furthermore, the knowledge of the GST will affect the intention to spend of the students either favorably or passively. However, this study will determine the students' knowledge regarding the GST and how it can affect their intention to spend.

### 3.5.5 Government Subsidy

The government subsidies are an interest provided by the government to the citizens, it could be in several forms such as a financial transfer, the welfare system, public good in order to help to could increase their income. However, the government subsidy will be use in this study to determine how it can affect the student intention to spend.

### 3.6 Measurement of Variables/Instrumentation

The table 3.1 shows the measurement of the dependent variable (intention to spend) and the independent variables (attitude, subjective norms, GST knowledge and government subsidy). All the variables were with 5 questions for each except the GST knowledge was with 6 questions. Likert scale has been used for measuring the variables with 5 degrees which are from (strongly disagree to strongly agree). All the questions have been adopted from (Ajzen, 2006).

Table 3.1  
*The Measurement of the Variables*

Variable	Item	Measurement	Reference
Intention to Spend	5	Likert from 1 to 5 “Strongly Disagree to Strongly Agree”	Ajzen, 2006
Attitudes	5	Likert from 1 to 5 “Strongly Disagree to Strongly Agree”	Ajzen, 2006
Subjective Norms	5	Likert from 1 to 5 “Strongly Disagree to Strongly Agree”	Ajzen, 2006
GST Knowledge	6	Likert from 1 to 5 “Strongly Disagree to Strongly Agree”	Ajzen, 2006
Government Subsidies	5	Likert from 1 to 5 “Strongly Disagree to Strongly Agree”	Ajzen, 2006

The questionnaire that self-administered used in this research. This questionnaire contains of six parts. The time taken to complete this questionnaire is approximately 10 minutes. The first section which section A is a personals questions for the participants, seven basic questions which contains the gender, age, marital status, the highest educational level, college, nationality and the last question is for the race of the participants.

### **3.7 Data Collection**

For this study the data collection method is quantitative method. The using of the quantitative method will allow the author to test a specific relationship between the variables as well as examining a specific hypothesis and the result of the project on the public at large (Sekaran, 2010). Furthermore, this study used the primary data collection method. Due to the reason that this study is for the perceptions of the students, so the using of the primary data collection method is the best and suitable way to collect the information which is updated.

Furthermore, it's difficult to get secondary data suitable with this study because most of this data are old and will not match the requirements of this study. Therefore, this study used the self-administered questionnaire as a data collection method in order to collect the data from the qualified respondents. The period of collected the data was from June until September of 2018. The distribution of the questionnaires is for the respondents' whom are postgraduate students of Utara Universiti Malaysia (UUM). The questionnaires have been distributed by hand to hand, to guaranty the validity of the respondents as well as to match some constraints. Furthermore, there was an

introductory letter for the respondents about the purpose of the study in order to get better understanding.

### **3.8 Population**

According to Zikmund, Babin, Carr and Griffin, (2010) they mentioned in their study, that the target population means the total number of individuals that used, to drawn the sample. However, the target population of this study is the postgraduate students which are with the total of (5,816) from Academic Affairs Department/ Utara Universiti Malaysia (UUM) in Kedah.

#### **3.8.1 Sampling**

According to Zikmund et al., (2010) stated that, the sampling is the process of choosing a little group of the population and this group will be representing the opinion of the total number of populations which is apply for this study. However, this is so important for this study due to the limited of budget and time, to be apply on all population.

#### **3.8.2 Sampling Size**

The sampling size mean the total number of the respondents for the researches that have been done. However, generally the increasing of the sample will generate more accurate result. Moreover, the size of the sampling between 300 to 500 is accepted in most of the researches (Rehka, 2016). Since the size of the postgraduate students' population is (5,816), so the decision size sample of this study will be (360).

According to Rehka (2016) the following equations used to calculate the sampling size:

$$n_0 = \frac{Z^2 P_9}{e^2} \text{-----} (3.1)$$

Where  $Z^2$  is the abscissa of the normal curve which cuts an area  $\alpha$  at the tails ( $1 - \alpha$  equal the desired confidence level 95%).

$$\alpha = 0.05$$

$$Z = 1.96 \text{ and } P = 9 \text{ which is } = 0.5$$

$$\alpha = e = 0.05$$

$$n_0 = \frac{Z^2 P_9}{e^2} = \frac{(1.96)^2 (0.5)(0.5)}{(0.05)^2} = 385 \text{-----} (3.2)$$

$$n = \frac{n_0}{1 + \frac{n_0 - 1}{N}} = \frac{385}{1 + \frac{385 - 1}{5816}} = 360 \text{-----} (3.3)$$

*Note: 'N' refers to the population | 'n' refers to the samples*

The choosing of the samples was divided based on the schools of Utara Universiti Malaysia as it will be illustrating in the following table 3.2.

Table 3.2  
*Samples Divided Based on the Schools of UUM*

Graduated School	Total	Sample
Awang Had Salleh Graduate School (AHSGS)	2412	150
Othman Yeop Abdullah Graduate School of Business (OYAGSB)	2598	160
Ghazali Shafie Graduate School of Government (GSGSG)	806	50
Total Number & Sample	<u>5816</u>	<u>360</u>

Awang Had Salleh Graduate School (AHSGS)

$$= 2412 / 5816 * 360 = 150$$

Othman Yeop Abdullah Graduate School of Business (OYAGSB)

$$= 2598 / 5816 * 360 = 160$$

Ghazali Shafie Graduate School of Government (GSGSG)

$$= 806 / 5816 * 360 = 50$$

The researcher of this study will distribute 360 questionnaires to be fill out by the respondents, in order to be collected to be analyze later.

### 3.8.3 Sampling Technique

In this study the Simple Random Technique have been used it's also known as "method of chances" In this technique all the items will have the same chance of being selected. This technique is totally depending on the probability. The simple random sampling is very easy and simple technique. In this method each sample will be with the same chance to being selected. In this technique there are two steps to apply it which are first initially make a list of all population then provide specific

number for each one of them. In this study from the overall 5816 there are 360 lists have been created and each list contain of 16 names. Second form the lists, the samples will be chosen either by using the “random number tables” or “random generator software”. However, this study has been done using the “random number tables”.

### **3.9 Data Collection and Procedures**

#### **3.9.1 Data Processing**

After collecting the data from the participants, the next step will be for the data processing in order to analyze the data as well as to test the hypotheses of this research (Sekaran, 2010). Furthermore, some primary steps are important to ensure that the information are comprehensive, precise and proper for the over and above investigation. In the data processing which also known as the preparatory steps, there will be editing, transcribing, data checking and coding. Further, in this stage will identify the uncommon responses. All the valid response it will be numbering and counting in order to make sure that there are no responses are duplicated in the system before forward in the data checking.

#### **3.9.2 Data Editing**

The data editing is for investigating with the illogical response that will affect the questionnaires in a major way so there is a need to check that kind of responses. The use of the data editing is to make the polls more accurate (Malhotra, 2006). Thus, this will check the mistakes that made by the respondents or researchers. Reviews the poor reactions frames like fragmented answers or twofold answers. Furthermore,



the questionnaires with the wrong answers and duplicated one, will be discard from this study.

### **3.9.3 Data Cleaning**

Data cleaning is all about the checking of the consistency and the treatment of the missing responses (Malhotra, 2006). Furthermore, the questionnaires will be checking extensively. However, the Consistency checking will be to determine the data that is out of range. The out of range data could be due to the wrong respond of the participants so that can be identified by using the SPSS software.

### **3.10 Techniques of Data Analysis**

The process of converting of the fresh information to a useful one, by using some statistical methods, called data analysis. After that this data will be used by the researchers in order to make decision as well as to see the improvement of the study (Zikmund et al., 2010). According to Sekaran (2010), the using of the data analysis will provide the vision for the researchers to see their hypotheses if its accepted or not. All the information will be analyzing by using SPSS software. This study will use the reliability analysis, descriptive analysis, normality test and inferential analysis.

#### **3.10.1 Scale Measurement**

The scale measurement will be used to determine whether there will be a reliable result generated from the collected data or not. The reliability means the level that the measures will be free of the error and that could be stable or predictable. The

most general linked assessment for the numerous scales elements reliability is Cronbach's alpha ( $\alpha$ ) (Sekaran, 2010). The value of the Cronbach's alpha will be defined by using the SPSS statistics software. According to the table 3.3 the accepted range of the reliability for the result  $\alpha$  should be from 0.7 to 1.

Table 3.3  
*Thumb Cronbach Alpha Rules*

Level of reliability	Alpha Ranges
Poor Reliability	0.60 Less
Fair Reliability	0.61 - 0.70
Good Reliability	0.71 - 0.80
Very Good Reliability	0.81 – 0.95

Source: Sekaran (2010)

### 3.11 Summary

The main part of any study is the methodology of the research. The research methodology will help the researchers to solve the problems of the research in a systematic way. As an overall this chapter which is chapter three has discussed about the research framework, followed by the hypotheses of the study then research design, operational definition of the study, the measurement of variables, the research instrument, the data collection, population, data collection procedures, techniques of data analysis respectively, to end up with the last section which is summary of the chapter.

## **CHAPTER FOUR**

### **RESULT**

#### **4.1 Introduction**

The result and findings of the collected data will be discussed. However, the first section for the sample profile. Furthermore, the second section for descriptive analysis. The reliability analysis in the next section followed by the factor analysis in. Furthermore, last three sections are for multiple regression analysis and summary of hypotheses analysis to end up with the summary of the chapter.

#### **4.2 Sample Profile**

A total of 360 questionnaires have been received from the overall 500 distributed questionnaires. The respondent rate of this study is 72%. Therefore, the collected questionnaires were divided into three groups of UUM colleges as it shown in the table 4.1. First group was with total of 160 questionnaires from Othman Yeob Abdullah college, while the second group was with the total of 150 questionnaires which are from Awang Had Salleh college. Finally, the third group Ghazali Shafie college with the total of 50 questionnaires. Thus, the sample size for this study is valid and appropriate because it is above 30% (Sekaran, 2003).

Table 4.1  
*Respondents Table*

<b>Graduated School</b>	<b>Total</b>	<b>Sample</b>
Awang Had Salleh Graduate School (AHSGS)	2412	150
Othman Yeop Abdullah Graduate School of Business (OYAGSB)	2598	160
Ghazali Shafie Graduate School of Government (GSGSG)	806	50
Total Number & Sample	<u>5816</u>	<u>360</u>

### 4.3 Demography Analysis

The overall of 360 questionnaires collected from the postgraduate students are shown in table 4.2. The percentage of the male respondents was 55.6% while the female was 44.4%. The highest percentage of the respondents 69.4 % were with the age from 25 to 35 and most of them were single with the percentage of 68.1%.

Most of the participants were with the educational level of master degree which represents 65.3% divided on three college Othman Yeob Abdullah with 44.4 %, Awang Had Salleh with 41.6 % and Ghazali Shafie 13.9 %. The international students were with a higher percentage than the local one with the 57.8 % and 42.2 % respectively. In addition, Indian and Chinese students were with lowest number of participants 6 students from India and 18 from China whereas 126 students were Malay while the highest number of participants were from other races students with the number of 210 respondents.

Table 4.2  
*Respondents Profile*

	Frequency	Percentage
<b>Gender</b>		
Male	200	55.6
Female	160	44.4
<b>Age</b>		
Less than 25	47	13.1
25 to 35	250	69.4
36 to 45	52	14.4
Above 45	11	3.1
<b>Marital</b>		
Single	245	68.1
Marred	110	30.6
Divorced	5	1.3
<b>Education</b>		
Master	235	65.3
PhD	125	34.7
<b>College</b>		
Othman Yeob Abdullah	160	44.2
Awang Had Salleh	150	41.9
Ghazali Shafie	50	13.9
<b>Nationality</b>		
Local	152	42.2
International	208	57.8
<b>Race</b>		
Malay	126	35.0
Chinese	18	5.0
Indian	6	1.7
Others	210	58.3

#### 4.4 Descriptive for Constructs

As the framework of this study shows that there is one dependent variable; intention to spend and four independent variables; attitude, subjective norms, GST knowledge and government subsidy. before analyzing the mean of each variable, the reliability is performed.

##### 4.4.1 Intention to Spend

The dependent variable is measured by using five items to show the average mean score as its illustrated in the table 4.3 below. As the average score of the intention is 3.18 that's mean there is a high intention from the students to spend. However, the first item shows the highest mean score over the items with 3.52 while the third item score the lowest mean with 2.80. Furthermore, the second, fourth and fifth items come with almost the same score of 3.12, 3.23 and 3.22 respectively. As an overall there is a high intention of the students in order to spend.

Table 4.3  
*Mean Analysis for Intention.*

No	Items	Mean
1	My intention to spend differs after the implementation of GST than before.	3.5250
2	I intend to spend more on my basic needs after the implementation of GST.	3.1694
3	I intend to spend under the GST regime because its contribute to the development of Malaysia.	2.7306
4	My intention to spend after the GST is affected by my knowledge about GST.	3.2389
5	I intend to spend after the implementation of GST if I know that the	3.2222

government will provide more services.

Average Mean Score	3.1772
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#### 4.4.2 Attitude

The first independent variable is measured by using five items to show the average mean score as its illustrated in the table 4.4 below. As the average score of the attitude is 2.8 that's mean there is a positive attitude from the students to spend. The first and fourth items of the attitude were with the mean above than 3.0 while the rest of the items; second, third and fifth were with the mean of 2.6, 2.3 and 2.5 respectively. However, as an overall the attitude of the students shows a positive mean in order to spend.

Table 4.4  
*Mean Analysis for Attitude*

No	Items	Mean
1	I would be upset if did not spend to satisfy my needs under the GST regime.	3.1111
2	After the implementation of GST, I often spend money spontaneously.	2.6000
3	Under the GST regime, I spend without thinking.	2.3389
4	I believe I have a moral obligation to spend to satisfy my needs even after GST.	3.3194
5	I would feel guilty if I do not spend after the implementation of GST.	2.5361
Average Mean Score		2.7811

#### 4.4.3 Subjective Norms

The second independent variable is measured by using five items to show the average mean score as its illustrated in the table 4.5 below. As the average score of the subjective norms is 2.8 that's mean subjective norms have a significant role in

affecting the spending of the students. Furthermore, from the table 4.5 below it can be clearly seen that all the five items score a mean lower than 3.0. The third and fifth items scores the highest mean over the items 2.98 for the third and 2.93 for the fifth while the lowest score was for the second item with the 2.43. However, the rest of items first and fourth comes out with almost the same score 2.74 and 2.77 respectively. As an overall the subjective norms have a high impact on the students in terms of spending.

Table 4.5

*Mean Analysis for Subjective Norms*

No	Items	Mean
1	Most people whom are important to me think that I should spend under the GST regime to satisfy my needs.	2.7417
2	After the implementation of GST, people who are important to me encourages me to spend.	2.4361
3	Generally, I would do what I believe most people who are important to me would do to satisfy my needs even after the implementation of GST.	2.9889
4	Most people who are important to me would respect me if I spend after GST.	2.7722
5	After the implementation of GST, I spend like what people who are important to me would do.	2.9389
Average Mean Score		2.7755

#### 4.4.4 GST Knowledge

The third independent variable is measured by using six items to show the average mean score as its illustrated in the table 4.6 below. As the average score of the GST knowledge is 3.4 that's mean GST knowledge have a high impact on the students spending. All the items score more than 3.0. Furthermore, the sixth item score a



highest mean over the items with 4.0 while the first and third items score the lowest mean with 3.0 for each. However, second item got the second highest score with 3.9 and the rest of the items fourth and fifth were with almost same score with 3.1 and 3.3 respectively. As a whole the GST knowledge has a main role in affecting the students spending.

Table 4.6  
*Mean Analysis for GST Knowledge*

No	Items	Mean
1	I know GST is collected by the agent.	3.0944
2	I know that I must pay GST for certain product.	3.9167
3	I know products or services which are zero rated of GST.	3.0806
4	I know products or services which are exempted rated of GST.	3.1222
5	I know products or services which are standard rated of GST.	3.3139
6	I know receipt must state GST registration numbers.	4.0750
Average Mean Score		3.4338

#### 4.4.5 Government Subsidy

The fourth independent variable is measured by using five items to show the average mean score as its illustrated in the table 4.7 below. As the average score of the government subsidy is 2.9 that's mean government subsidy play a main role in affecting the students spending. From the table 4.5 it obviously shows that the second, fourth and fifth items score more than 3.0. while the rest of the items score almost the same mean with 2.7 for first and third items. However, as an overall the government subsidy has a significant impact on the spending of the students.

Table 4.7

*Mean Analysis for Government Subsidy*

No	Items	Mean
1	The support from the government help me to spend after the implementation of GST.	2.7361
2	Under the GST regime my desire to spend depends on the subsidy provided by the government	3.1222
3	Government subsidy under the GST implementation encourages me to spend more.	2.7528
4	My intention to spend after the GST depends heavily on government subsidy.	3.0167
5	After the implementation of GST, most of my spending on things like oil and food that have subsidy from the government.	3.0944
Average Mean Score		2.9444

**4.5 Reliability Analysis**

The result of Cronbach's Alpha shown in the table 4.8 below. In this study the Cronbach's Alpha with the ranged between 0.61 and 0.80, are considered as acceptable (Sekaran, 2010). The highest Cronbach's Alpha value for the subjective norms with 0.80 while the intention come out with the lowest Cronbach's Alpha which is 0.61.

Table 4.8

*Reliability Analysis*

Variable	No. of Items	Cronbach's Alpha
Intention to Spend	5	0.61
Attitude	5	0.67
Subjective Norms	5	0.80
GST Knowledge	6	0.76
Government Subsidy	5	0.79

## 4.6 Factor Analysis

The main idea of factor analysis is to describe the differentiation between the variables that cannot be observable. In the factor analysis the variables will be divided into groups as a subset to be analyzed and the items that show a “a-square” less than 0.5 will be deleted. The main function of factor analysis is determining the KMO (Keiser-Meyer-Oklin) of the variables. The highest cumulative variance is the better correlation among the items.

### 4.6.1 Intention to Spend

The intention to spend is the dependent variable of this study. This variable measured by using five items which are adopted from (Ajzen, 2006). The table 4.9 below illustrate the KMO of the intention that use to measure the accuracy of the sample which is 0.619 with the barlett's of 177.095 and with the significant of .000. According to Pallant (2010), stated that if the KMO of the variables is greater than or equal 0.5 thus the used of factor analysis is valid for the variables. Consequently, it's convenient and compatible to use it for the data of this study.

Table 4.9  
*Factor Analysis for Intention*

No	Items	Component
1	My intention to spend differs after the implementation of GST than before.	0.595
2	I intend to spend more on my basic needs after the implementation of GST.	0.640
3	I intend to spend under the GST regime because it contributes to the development of Malaysia.	0.694
4	My intention to spend after the GST is affected by my	0.704

knowledge about GST.

5	I intend to spend after the implementation of GST if I know that the government will provide more services.	0.614
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Eigen Value	1.869
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Total Variance Explained (%) = 59.778	37.389
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Kaiser- Meyer- Olkin (KMO) = 0.619

Barlett's Test of Sphericity Approx. Chi Square = 177.095

df = 10

Sig = 0.000

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#### 4.6.2 Attitude

The first independent variable of this study is the attitude. The KMO of the attitude is 0.711 with significant of .000 as its elaborated in the table 4.10 below. However, all the items in the component are accepted. Furthermore, the barlett's of the attitude is 242.216. According to Pallant (2010), stated that if the KMO of the variables is greater than or equal 0.5 thus the used of factor analysis is valid for the variables. Consequently, it's convenient and compatible to use it for the data of this study.

Table 4.10  
*Factor Analysis for Attitude*

No	Items	Component
1	I would be upset if did not spend to satisfy my needs under the GST regime.	0.570
2	After the implementation of GST, I often spend money spontaneously.	0.727
3	Under the GST regime, I spend without thinking.	0.679
4	I believe I have a moral obligation to spend to satisfy my needs even after GST.	0.601
5	I would feel guilty if I do not spend after the implementation	0.691

of GST.

Eigen Value	2.152
Total Variance Explained (%) = 43.047	43.047

---

Kaiser- Meyer- Olkin (KMO) = 0.711

Barlett's Test of Sphericity Approx. Chi Square = 242.216

df = 10

Sig = 0.000

---

#### 4.6.3 Subjective Norms

The second independent variable of this study is the subjective norms. The KMO of this variable is 0.801 which considered high while the significant is 0.000 as it illustrated in the table 4.11 below. Therefore, all the items in the component are accepted. Furthermore, the barlett's of the subjective norms is 535.788. According to Pallant (2010), stated that if the KMO of the variables is greater than or equal 0.5 thus the used of factor analysis is valid for the variables. Consequently, it's convenient and compatible to use it for the data of this study.

Table 4.11

*Factor Analysis for Subjective Norms*

No	Items	Component
1	Most people whom are important to me think that I should spend under the GST regime to satisfy my needs.	0.749
2	After the implementation of GST, people who are important to me encourages me to spend.	0.701
3	Generally, I would do what I believe most people who are important to me would do to satisfy my needs even after the implementation of GST.	0.753
4	Most people who are important to me would respect me if I spend after GST.	0.768

5	After the implementation of GST, I spend like what people who are important to me would do.	0.774
	Eigen Value	2.810
	Total Variance Explained (%) = 56.192	56.192
<hr/>		
	Kaiser- Meyer- Olkin (KMO) = 0.801	
	Barlett's Test of Sphericity Approx. Chi Square = 535.788	
	df = 10	
	Sig = 0.000	
<hr/>		

#### 4.6.4 GST Knowledge

The third independent variable of this study is the GST knowledge, contain of 6 items. The KMO of this variable is 0.770 with significant of 0.000 while the barlett's of this variable is 595.887 as its illustrated in the table 4.12 below. Due to the reason that all the items of this variable are accepted so the factor analysis is proper to be use for this data (Pallant, 2010).

Table 4.12  
*Factor Analysis for GST Knowledge*

No	Items	Component
1	I know GST is collected by the agent.	0.494
2	I know that I must pay GST for certain product.	0.521
3	I know products or services which are zero rated of GST.	0.814
4	I know products or services which are exempted rated of GST.	0.835
5	I know products or services which are standard rated of GST.	0.774
6	I know receipt must state GST registration numbers.	0.569
	Eigen Value	2.798
	Total Variance Explained (%) = 46.632	46.632
<hr/>		
	Kaiser- Meyer- Olkin (KMO) = 0.770	
	Barlett's Test of Sphericity Approx. Chi Square = 595.887	
<hr/>		

df = 15
Sig = 0.000

#### 4.6.5 Government Subsidy

The fourth independent variable of this study is government subsidy. This variable come out with a good KMO which is 0.786, with significant of 0.000 and the barlett's of this variable is 509.517 as its shown in the table 4.13 below. However, all the items of this variable are accepted. According to Pallant (2010), stated that if the KMO of the variables is greater than or equal 0.5 thus the used of factor analysis is valid for the variables. Consequently, it's convenient and compatible to use it for the data of this study.

Table 4.13  
*Factor Analysis for Government Subsidy*

No	Items	Component
1	The support from the government help me to spend after the implementation of GST.	0.661
2	Under the GST regime my desire to spend depends on the subsidy provided by the government	0.768
3	Government subsidy under the GST implementation encourages me to spend more.	0.787
4	My intention to spend after the GST depends heavily on government subsidy.	0.808
5	After the implementation of GST, most of my spending on things like oil and food that have subsidy from the government.	0.667
	Eigen Value	2.744
	Total Variance Explained (%) = 54.871	54.871
Kaiser- Meyer- Olkin (KMO) = 0.786		
Barletts Test of Sphericity Approx. Chi Square = 509.517		

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df = 10  
Sig = 0.000

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#### **4.7 Multiple Regression Analysis**

Multiple regression analysis refers to the procedure of one dependent variable with many independent variables. However, this test is used to evaluate simultaneous effect of the independent variables on the dependent one. This process will be helpful for the authors to have a full insight on the differentiation on the dependent variable that expound by the independent variables (Cavana, Delahaye & Sekaran, 2001).

##### **4.7.1 Assumptions Test for Multiple Regression**

There are some assumptions that need to be done before the multiple regression analysis. This study used the normality test and correlation analysis.

##### **Normality Test**

Under normality test there are many techniques in multiple assumptions. Normality test is considered as caliber used in many statistical approaches (Hair, Black, Babin, Anderson & Tatham, 2006). The skewness and kurtosis tests have been done for this study in order to expound the distribution of the data as shown in the table 4.14.



Table 4.14  
*Results of Skewness and Kurtosis Test (n=360)*

	<b>Skewness</b>	<b>Std. Error of Skewness</b>	<b>Kurtosis</b>	<b>Std. Error of Kurtosis</b>
Intention	-.271	.129	.122	.256
Attitude	-.164	.129	-.137	.256
Subjective Norms	-.129	.129	-.283	.256
GST Knowledge	-.140	.129	-.082	.256
Government subsidy	-.118	.129	-.265	.256

From the above table 4.14, it can be clearly seen that all the variables in the skewness test are with the limit of +1 and -1. If the value of skewness test is out the range +1 and -1 that's mean the variables are tacit and ultimately skewed (Hair et al., 2006).

According to George (2003), stated that skewness is consider as indicator thus all around the mean the data leans on the symmetry. Therefore, the flatness of the distributed data represents the kurtosis. There are two shapes for the value first negative this when the kurtosis is flatter comparing to the normal. Second positive this when the shapes are more packed comparing to the normal. On the other hand, as long the value is amidst +1 and -1 so skewness will remain normal. Geroage (2003) said that the kurtosis is accepted with the value between +3 and -3. In this study the normality distributed of the data and the value of both kurtosis and skewness have been shown in the table 4.14 above.

### Correlation Analysis

The relationship of amidst the dependent variable and the independent variables in the correlation analysis will be elaborate in this section. This relationship aims to exhibit the significance and direction upon the variables for this study. The table 4.15 below it consists of five variables, one dependent (intention) and four independents (attitude, subjective norms, GST knowledge and government subsidy). From the result of this study it can be clearly seen that the data has been normally distributed and all the variables are positively correlated. Thus, all the independent variables have a positive orientation with the dependent variable. Table 4.15 shows that the independent variables attitude, subjective norms, GST knowledge and government subsidy are positively correlated with dependent variable which is the intention at 0.336, 0.374, 0.287 and 0.365 respectively and they are significant at the level 0.01.

Table 4.15  
*Results of Pearson Correlation Coefficient Test (n=360)*

	<b>Intention</b>	<b>Attitude</b>	<b>Subjective Norms</b>	<b>GST Knowledge</b>	<b>Government subsidy</b>
Intention	1.000				
Attitude	.336**	1.000			
Subjective Norms	.374**	.624**	1.000		
GST Knowledge	.278**	.052	.101	1.000	
Government subsidy	.365**	.261**	.339**	.104*	1.000

Note: \*\*. Correlation is significant at the 0.01 level (2-tailed).

The correlation amidst subjective norms, GST knowledge and government subsidy are correlated positively with the attitude at 0.624, 0.052 and 0.261 respectively and they are significant at the level 0.01.

The correlation amidst GST knowledge and government subsidy are positively correlated with the subjective norms at 0.101 and 0.339 and they are significant at the level 0.01. Eventually, the correlation of GST knowledge is correlated positively with the government subsidy at 0.104 and its significant at the level 0.01. As an overall the correlation test of this study come out with equitable degree for all the relationships upon all the variables of this study.

#### 4.7.2 Multiple Regression Result

Therefore, the result of the multiple regression analysis of the intention of the students' spending has been shown in the tables 4.16 below. The used data of this study it shows that all the independent variables can only explain 26.4% of the students' intention to spend.

Table 4.16  
*Multiple Regression Result*

<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>	<b>R Square Change</b>	<b>F Change</b>	<b>Sig. F Change</b>
.521 <sup>a</sup>	.272	.264	3.09318	.272	33.126	.000

### 4.7.3 Hypotheses Testing

The result of each of the developed hypotheses will be describe in this section. The using of multiple regression analyses to test the hypotheses in order to identify whether the hypotheses are supported or not supported as its shown in the table 4.17 below.

Table 4.17  
*Coefficient Analyses for Intention Model*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 Constant	4.964	1.011		4.912	0
Attitude	0.143	0.054	0.153	2.639	0.009*
Subjective norm	0.148	0.051	0.172	2.881	0.004*
GST Knowledge	0.157	0.03	0.236	5.173	0.000*
Government subsidy	0.202	0.04	0.242	4.998	0.000*

Note. \*  $p < 0.01$ .

**H1: There is a positive relationship between attitudes and students' intention to spend.**

Attitude toward the students' spending is expected to be positive regarding the intention. Furthermore, the result of this study shows that there is a significant positive relationship between the attitude and the students' intention to spend with the confidence level of ( $P < 0.01$ , beta 0.153). Thus, H1 is supported.

**H2: There is a positive relationship between subjective norms and students' intention to spend.**

Subjective norms regarding the students' intention to spend is expected to have a positive relationship. Furthermore, the result of this study shows that subjective norms has a significant positive relationship toward the students' intention to spend with the confidence level of ( $P < 0.01$ , beta 0.172). Hence, H2 is supported.

**H3: There is a positive relationship between GST knowledge and students' intention to spend.**

The GST knowledge toward the students' intention to spend is expected to have a positive relationship. However, the result of this study shows that there is a significant relationship between the GST knowledge and students' intention to spend with the confidence level of ( $P < 0.01$ , beta 0.236). Hence, H3 is supported.

**H4: There is a positive relationship between government subsidy and students' intention to spend.**

The government subsidy toward the students' intention to spend expected to have a positive relationship. However, the result of this study shows that government subsidy has a significant positive relationship with the students' intention to spend with the confidence level of ( $P < 0.01$ , beta 0.242). Thus, H4 is supported.

#### **4.8 Summary of Hypotheses Testing**

In this study four hypotheses were developed and all of them are supported as its shown in the table 4.18 below, in the process of testing the relation between the independent variables and the dependent one. The independent variables of this

study are; Attitude, Subjective norms, GST knowledge and Government subsidy have a significant positive relation toward the dependent variable; Intention in term of students' intention to spend.

Table 4.18  
*Summary of Hypotheses Testing*

<b>Hypotheses</b>	<b>Variables</b>	<b>Findings</b>
H1	Attitude towards Intention to spend	Supported
H2	Subjective norms towards Intention to spend	Supported
H3	GST knowledge towards Intention to spend	Supported
H4	Government subsidy towards Intention to spend	Supported

#### 4.9 Summary

This chapter discussed the result of the study on different number of analysis's which are; descriptive, reliability, factor, multiple regression, hypotheses and normality by using SPSS version 25.0. Thus, the findings of this study prove that all the independent variables have a positive relationship regarding the student's intention to spend.

## **CHAPTER FIVE**

### **DISCUSSION, CONCLUSION & RECOMMENDATION**

#### **5.1 Introduction**

This chapter contains seven parts which are as follows; first section will be the introduction, followed by the summary of the research in the second section. The third section will be for a discussion on the study which consists of study; background, objectives, methodology and the result of the study. The theoretical and practical implications will be in the fourth section which will discuss about the strategies and actions that should be executed by the government in order to improve the students' intention to spend. Fifth section will discuss the limitations of the research, followed by the recommendations in the sixth section while the last section will be for the conclusion of the chapter.

#### **5.2 Summary**

As an overall, there are 360 respondents who were involved in this study. These respondents are made up of the students of Utara Universiti Malaysia in Malaysia/Kedah. The respondents were divided into three different colleges. The majority of the respondents were 160 questionnaires from Othman Yeob Abdullah college. However, 150 questionnaires are from Awang Had Salleh college and Ghazali Shafie college with the total of 50 questionnaires. The majority of the target respondents in this study have "Strongly Agreed" to almost all the statements in the questionnaire. In this study the variable of GST knowledge scores the highest mean while the lowest mean was for attitude and subjective norms. Furthermore,

Correlation Coefficient of the variables in this study is between 0.61 - 0.80. This demonstrates most of the predictor variables in this study has a moderate relationship with the dependent variable. All the predictor variables in this study have a constructive connection with the dependent variable. In addition, it is statistically fit to predict the dependent variable of the study using these independent variables.

### **5.3 Discussion on Result**

The aim of this study is to clarify the relationship between the independent variables; attitude, subjective norms, GST knowledge and government subsidy toward the dependent variable; students' intention to spend among 360 postgraduate students of Utara University Malaysia divided on three colleges; Othman Yeob Abdullah college, Awang Had Salleh college and Ghazali Shafie college. Furthermore, the theory of planned behavior (TPB) which developed by Ajzen (1991) was used in this study to determine the students' intention to spend due to the fact that this theory is good in determining the factors that affect the intention of the behavior. Therefore, this study contains of two objectives. The first objective is to determine the level of each of the factors which are attitudes, subjective norms, GST knowledge, government subsidies and the intention to spend which has been done by calculating the mean of each variable and the result shows that GST knowledge score the highest mean among the other variables with 3.4338 and the second highest score was for intention to spend with 3.1772. while the rest of the variables attitude, subjective norms and government subsidy were with the mean less than 3.0. Attitude with 2.7811, subjective norms with 2.7755 and government subsidy with 2.9444.



The second objective is to determine the relationship between attitudes, subjective norms, GST knowledge, government subsidies and the intention to spend which has been done as well and the result of this study shows that there is a significant and important relationship between the independent variables and the dependent variable in effecting the student spending behavior. However, the data of this study was collected by using hand to hand distributed questionnaire. 360 samples have been used for the analysis from 500 questionnaires that have been distributed. From the collected data there was six different analyses have been done using the SPSS software version 25.0 which are; descriptive analysis, reliability analysis, factor analysis, multiple regression analysis, hypotheses analysis and the last not least is normality test.

From the findings there are two main sides have been determined which are; whether the objectives of the study achieved and whether the hypotheses that used in this study are supported or not. Thus, the result shows that all the objectives have been achieved. However, the first hypothesis H1 which is related to the attitude shows that its supported and its matched with the previous literature of Puvaneswari (2015), in his study he found that attitude has a positive and significant relation towards the human intention. The second hypotheses H2 which is about the subjective norms is supported as well as its matched with the previous literature of Saad (2010), mentioned in his study that one of the significant factors that effecting the compliance behavioral intention upon Malaysian consumers' is subjective norms. The third hypotheses H3 which is for the GST knowledge it is also supported and correspond with the previous literature of Djawadi (2013), who found that

knowledge about the tax is required for the consumers' and it have a significant and positive relation with the intention of taxpayers. The fourth hypotheses H4 is for the government subsidy it is supported and related with the previous literature of Ling et al., (2016), stated that the government subsidy have a significant relationship with the intention due to the fact that it make the taxpayers aware about the way of spends their money by the government so that could make them have positive feeling to the tax compliance.

Upon the four independent variables, government subsidy shows that it's the most significant factor that affecting the student intention to spend by shows the highest value of beta with 0.242. GST knowledge shows that it's the second significant variable in affecting the students' intention to spend followed by subjective norms and attitude.

## **5.4 Implication**

### **5.4.1 Theoretical**

Many previous studies have been used the theory planned behavior (TPB) to test the behavioral intention of the individuals in different areas. Furthermore, there are a lot of studies have been done on determining the intention of the students toward taxation, but few of those studies have been focused on the students' intention to spend regarding the implementation of goods and services tax (GST). However, this study will investigate the student intention to spend with the implementation of GST by using the theory of planned behavior (TPB). The result of this study shows that GST knowledge and intention to spend were with the mean above than 3.0. So, those

variables are important and have significant impact in affecting the spending behavior. Thus, for the researchers in the same field they are advised to use those variables in order to have a clear explanation of the spending behavior. However, in this study there are four independent variables have been used which are; attitude, subjective norms, GST knowledge and government subsidy shows a significant relationship toward the dependent variable; students' intention to spend. Therefore, the developed research model that explain how the students' intention to spend can be affected found to be suitable and acceptable.

#### **5.4.2 Practical**

In this study there are two main variables effecting the spending behavior which are GST knowledge and intention to spend. Both variables score the mean highest than 3.0. Subsequently, those variables could be useful for the custom department by educated the taxpayers more about the GST. As well as the custom department can focus on the taxpayer's intention in order to improve the spending behavior. Furthermore, the result of this study shows that the independent variables; attitude, subjective norms, GST knowledge and government subsidy have a significant relationship toward the dependent variable; students' intention to spend. The result of this study could be useful for various parties such as the Malaysian government so it can have better vision on the implementation of the taxation system as well as to determine the reactions of the students regarding the taxations system. So, the government should provide a workshops and conferences for the students in order to make them aware about the taxations system to improve their spending. Furthermore, the government must have market division among potential taxpayers,

for example, manufacturers from distinctive industries, size of capital and other community so that information education can be sent effectively through media, for example, week by week article in major daily paper or radio, road show, small dialog and direct seminar and course throughout the nation. It will cultivate public new perception on consistence considering the trust and transparency displayed by tax administrators at the same time, tax administration ought to provide distinct consideration to the new generation of future taxpayers. To alarm this generation that they are regulated by laws and this tax compliance has no exception. Changing the people way of thinking and the behavior is far more difficult and in bringing about this change, education plays a vital role to influence their way of thinking and behaving to work together for future development of Malaysia.

### **5.5 Limitations**

Even with high effort and hard work that have been put for this study, there are some limitations need to be highlight for this study such as the time constraint to complete this project limits the time period for data collection. Thus, this study has been done on only 360 usable participants so with the bigger size of sampling is expected to get more accurate result. Furthermore, the result of this study cannot generalize to the whole universities in Malaysia. Lastly, there are a lot of variables can be used for this study and some of it can provide better result.

## **5.6 Recommendations**

Several concern about the students' intention to spend were countered in this study. Furthermore, there is still a need for more studies in this field. The below some suggestions for future works:

1. Future studies can use this study to increase the findings consistency as well as future studies can used different variables of perceived behavioral control that affecting the students' intention to spend to make the topic more sophisticated and provide more insight regarding to it.
2. The future studies recommend to increase the area of the research in order to have full coverage over all the students around Malaysia.

## **5.7 Conclusion**

This study has been done to determine the students' intention to spend regarding the implementation of goods and services tax (GST) by determining the factors that affect the students' intention to spend by using the theory of planned behavior (TPB). Furthermore, this study has achieved two objectives which are; first to determine the level of each of the factors which are attitudes, subjective norms, GST knowledge, government subsidies and the intention to spend. Second to determine the relationship between attitudes, subjective norms, GST knowledge, government subsidies and the intention to spend. In addition, it can conclude from that the used theory for this study its acceptable and suitable.

Furthermore, a discussion of the theoretical and practical implication has been done to achieve a high degree upon the students' intention to spend. Last not least a recommendations and future works have been provided for the researchers so they can expand this study in their future studies by looking at it from different views, angles and dimensions.



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## Appendix A

### Sampling of the Questionnaire



**Othman Yeop Abdullah  
Graduate School of Business**

**Universiti Utara Malaysia**

The influence of GST implementation on student spending behavior

**Dear Sir/Madam,**

I am a Masters Student at Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia conducting a research for the purpose of academic exercise and part of the requirement for the award of Master of Science (International Accounting) Degree.

This questionnaire is aim at obtaining your valuable opinion. Your response will be treated with the ultimate confidence and used strictly for academic purpose. The questionnaire is expected to take only about 10 minutes of your precious time to complete. I greatly appreciate your participation in the study. Thank you for your cooperation and giving part of your time for the survey.

**Researcher,**

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Master of science (International Accounting)  
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**SECTION A: Demographic profile:**

Please tick [√] against the appropriate responses or fill in the blanks with the appropriate

**Answers:**

1. Gender:

- a. ☐ Male                      b. ☐ Female

2. Age:

- a. ☐ less than 25                      b. ☐ 25-35                      c. ☐ 36-45                      d. ☐ 46 and above

3. Marital Status:

- a. ☐ Single                      b. ☐ Married                      c. ☐ divorced                      d. ☐ other:

\_\_\_\_\_

4. Highest Educational level:

- a. ☐ Master Degree                      b. ☐ PHD

5. College:

- a. ☐ Othman yeop Abdullah                      b. ☐ Awang had salleh                      c. ☐ Ghazali shafie

6. Nationality:

- a. ☐ Local                      b. ☐ International

7. Race:

- a. ☐ Malay                      b. ☐ Chinese                      c. ☐ Indian                      d. ☐ other: \_\_\_\_\_

**SECTION B:**

Below are statements regarding students' **intention** to spend. Please state your level of agreement for each of the following statements. Please circle your response according to the following scale.

Strongly Disagree			Strongly Agree		
1	2	3	4	5	

No.	Statement					
1	My intention to spend differs after the implementation of GST than before.	1	2	3	4	5
2	I intend to spend more on my basic needs after the implementation of GST.	1	2	3	4	5
3	I intend to spend under the GST regime because it contributes to the development of Malaysia.	1	2	3	4	5
4	My intention to spend after the GST is affected by my knowledge about GST.	1	2	3	4	5
5	I intend to spend after the implementation of GST if I know that the government will provide more services.	1	2	3	4	5

### **SECTION C:**

Below are statements regarding students' **attitudes** on spending behavior. Please state your level of agreement for each of the following statements. Please circle your response according to the following scale.

Strongly Disagree			Strongly Agree		
1	2	3	4	5	

No.	Statement					
1	I would be upset if did not spend to satisfy my needs under the GST regime.	1	2	3	4	5
2	After the implementation of GST, I often spend money spontaneously.	1	2	3	4	5
3	Under the GST regime, I spend without thinking.	1	2	3	4	5
4	I believe I have a moral obligation to spend to satisfy my needs even after GST.	1	2	3	4	5
5	I would feel guilty if I do not spend after the implementation of GST.	1	2	3	4	5

**SECTION D:**

Below are statements regarding students' **subjective norms** on spending behavior. Please state your level of agreement for each of the following statements. Please circle your response according to the following scale.

Strongly Disagree		Strongly Agree				
		1	2	3	4	5
No.	Statement					
1	Most people who are important to me think that I should spend under the GST regime to satisfy my needs.	1	2	3	4	5
2	After the implementation of GST, people who are important to me encourages me to spend.	1	2	3	4	5
3	Generally, I would do what I believe most people who are important to me would do to satisfy my needs even after the implementation of GST.	1	2	3	4	5
4	Most people who are important to me would respect me if I spend after GST.	1	2	3	4	5
5	After the implementation of GST, I spend like what people who are important to me would do.	1	2	3	4	5

**SECTION E:**

Below are statements regarding students' **GST Knowledge** on spending behavior. Please state your level of agreement for each of the following statements. Please circle your response according to the following scale.

Strongly Disagree			Strongly Agree								
1		2		3		4		5			
No.	Statement										
1	I know GST is collected by the agent.						1	2	3	4	5
2	I know that I must pay GST for certain product.						1	2	3	4	5

3	I know products or services which are zero rated of GST.	1	2	3	4	5
4	I know products or services which are exempted rated of GST.	1	2	3	4	5
5	I know products or services which are standard rated of GST.	1	2	3	4	5
6	I know receipt must state GST registration numbers.	1	2	3	4	5

### **SECTION F:**

Below are statements regarding **Government subsidy** for students on spending behavior. Please state your level of agreement for each of the following statements. Please circle your response according to the following scale.

<b>Strongly Disagree</b>		<b>Strongly Agree</b>				
<b>1</b>		<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	
<b>No.</b>	<b>Statement</b>					
1	The support from the government help me to spend after the implementation of GST.	1	2	3	4	5
2	Under the GST regime my desire to spend depends on the subsidy provided by the government	1	2	3	4	5
3	Government subsidy under the GST implementation encourages me to spend more.	1	2	3	4	5
4	My intention to spend after the GST depends heavily on government subsidy.	1	2	3	4	5
5	After the implementation of GST, most of my spending on things like oil and food that have subsidy from the government.	1	2	3	4	5



## Appendix B

### Reliability Output

#### Intention

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
int1	12.4806	10.061	.335	.197	.573
int2	12.8389	9.049	.389	.180	.546
int3	13.2806	10.381	.294	.158	.594
int4	12.7639	9.562	.441	.207	.521
int5	12.7917	9.792	.379	.181	.551

#### Attitude

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
att1	10.7944	10.699	.346	.151	.648
att2	11.3056	9.990	.493	.272	.580
att3	11.5667	10.124	.426	.256	.611
att4	10.5861	10.845	.376	.146	.633
att5	11.3694	10.044	.456	.215	.596

#### Subjective Norms

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
sn1	11.1361	11.650	.594	.381	.765
sn2	11.4417	12.114	.538	.328	.782
sn3	10.8889	12.038	.590	.375	.766
sn4	11.1056	11.643	.609	.396	.760
sn5	10.9389	11.857	.613	.433	.759

## GST Knowledge

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
gstkn1	17.5083	19.103	.349	.139	.767
gstkn2	16.6861	19.859	.379	.158	.754
gstkn4	17.5222	16.300	.631	.556	.687
gstkn5	17.4806	16.663	.663	.600	.681
gstkn6	17.2889	17.114	.599	.411	.699
gstkn7	16.5278	19.359	.407	.177	.749

## Government Subsidy

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
gs1	11.9861	13.000	.485	.285	.780
gs2	11.6000	12.358	.606	.389	.740
gs3	11.9694	12.403	.629	.421	.733
gs4	11.7056	11.919	.649	.474	.726
gs5	11.6278	13.310	.489	.265	.777